

**STATE OF CALIFORNIA**

**LIBRARY SERVICES AND TECHNOLOGY ACT (LSTA)**

**INFORMATION GUIDE**

**FOR USE IN APPLYING FOR LSTA GRANTS**

**CALIFORNIA STATE LIBRARY**  
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**SUSAN HILDRETH, STATE LIBRARIAN OF CALIFORNIA**

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## GENERAL INFORMATION - APPLYING FOR LSTA GRANTS

1. **Introduction.** The Library Services and Technology Act (LSTA), a part of the Museum and Library Services Act of 1996 (Public Law 104-208; 20 USC 961 *et seq.*) was enacted October 1, 1996, to replace the Library Services and Construction Act (LSCA), which expired September 30, 1996. LSTA was reauthorized on September 25, 2003 as part of the Museum and Library Services Act of 2003 (Public Law 108-81, 20 USC 9101 *et. seq.*) LSTA consolidated several federal library services programs, and is administered at the federal level by an independent agency called the Institute of Museum and Library Services (IMLS) and at the state level by the California State Library. The program derives from a federal appropriation but is intended for assistance to local libraries. The bulk of the funds are allocated to state library agencies for:

- Expanding services for earning and access to information and educational resources in a variety of formats, in all types of libraries, for individual of all ages;
- Developing library services that provide all users access to information through local, State, regional, national and international electronic networks;
- Providing electronic and other linkages among and between all types of libraries;
- Developing public and private partnerships with other agencies and community-based organizations;
- Targeting library services to individuals of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to individuals with limited functional literacy or information skills; and
- Targeting library and information services to persons having difficulty using a library and to underserved urban and rural communities, including children (from birth through age 17) from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved. 20 U.S.C. § 9141(a).

2. **Administration.** The State Librarian of California administers the Act in this state. These guidelines cover the activities and procedures that the State Library will employ to administer the Act each year using the grant funds. Awards of funds are made by the State Librarian to project proposals submitted in open competition on an annual schedule.

3. **Eligibility.** Any activity funded through the state-based program may involve academic, public, research, school, governmental agency libraries and information centers, and special and corporate libraries. "Public libraries" includes public library cooperative systems, library consortia, and State institutional libraries. For further details see Guidelines for Developing LSTA Grant Proposals on the State Library website. A prospective applicant unsure of eligibility to apply is strongly advised to contact the LSTA Coordinator before developing a project.

4. **Procedure.** The State Library conducts an annual cycle of grant processing. An announcement of the availability of LSTA funds is issued in the fall of the year preceding the start of the grant period. Interested applicants should consult the State Library LSTA web page for instructions and proposal materials. The grant proposal cycle involves two steps: a brief preliminary proposal expressing a grant project concept, followed by a final proposal. Applicants should develop their project ideas and file the preliminary proposal (LSTA Form 5) in December of the year before the grant starts (see the LSTA Planning Calendar for exact date).

Consulting assistance is available from the State Library. Applicants are strongly encouraged, prior to developing a preliminary proposal, to contact a State Library consultant who can provide valuable program and technical assistance. In the majority of cases, projects prepared with such assistance are more competitive. (A list of the Library Development Services consultants can be found on the Staff Contacts list for the Library Development Services bureau). It is advisable to contact an LDS consultant considerably in advance of the preliminary proposal deadline due to time pressures that multiply in November/December. Following review and consultation with State Library staff, the State Librarian will advise all preliminary proposal applicants on State Library interest in the project concepts proposed. These advice letters are usually mailed out in February.

For libraries invited to submit a final proposal, a consultant from the State Library will be assigned to advise each applicant in developing the project. A final proposal may be submitted only if a preliminary proposal has been submitted during the same LSTA annual cycle. Final proposals are normally expected from libraries and/or library jurisdictions based on the State Library's interest in their preliminary proposals. The competitiveness of the individual proposals submitted will be weighed during the final proposal stage of the LSTA grant cycle. Final proposals will not be considered if the library applicant did not submit a preliminary proposal, or the preliminary proposal did not receive an invitation from the State Librarian, through the advice letter, to submit a final proposal.

Completed final proposals (LSTA Form 6) are to be filed in April of the year the grant starts (see the LSTA Planning Calendar for exact date). Awards for successful projects will be announced in June. Upon approval by the State Librarian, project award letters will be issued in June before the official start date for the grant of July 1, contingent upon passage of the State budget. The State Librarian's grant award letter is the official approval and is an amendment to the final proposal. In the letter, the State Librarian may require or authorize changes in the project as outlined in the final proposal. If the applicant accepts the award, conditions in the State Librarian's letter are binding and must be followed in the implementation and conduct of the project. The award letter provides the approved budget, which must be the basis for all financial expenditure reports.

**5. Duration.** Normally an LSTA project runs from July 1 to the following June 30, but work may begin with the date of grant award. All project funds must be expended by June 30, or returned. LSTA cannot pay for expenses incurred before the signing of an award letter.

**6. Planning.** Planning for services that meet local needs, including local needs assessment, is the responsibility of applicant libraries and institutions and should be an integral part of their regular management process. **This planning, including the needs assessment, should be conducted well in advance of a grant's preliminary proposal, and in any case must be conducted prior to submitting a final proposal for federal funds. Project proposals lacking an acceptable needs assessment will not receive a favorable review.**

A proposed project must address one or more of the state-based purposes of the LSTA, spelled out in the 2002/03 to 2006/07 five-year California Statewide Plan for Use of LSTA Funds, available on the State Library's website. Please note that the State Library is currently working on the California Statewide Plan for Use of LSTA Funds for the next five years, 2007/08 to 2011/12. This plan will be submitted to IMLS for approval in June 2007. Until that plan receives IMLS' approval, all grant applicants will continue using the five statewide goals from the current California State Plan.

Some local jurisdictions may require that the project, subject to funding, be included in the local budget process or obtain approval by a governing body. Many projects need to include an advisory board or steering committee. Applicants should create this body and involve the members in preparation of the preliminary proposal before the final proposal is filed.

See the Guidelines for Developing LSTA Grant Proposals for further information on eligibility criteria for grant applicants and about qualification and competitiveness of LSTA projects.

**7. Financial.** Separate accounting must be maintained for each federal project to ensure responsible project management, submission of timely and accurate financial reports, and ability to furnish audit data. Consolidated grant award documents are addressed to the head of the agency responsible for the project. Warrants will be made out to the same agency. Recipients will be responsible for seeing that the documents and funds are properly deposited according to local rules. A project is considered complete when a final narrative summary report and a final financial expenditure statement are accepted by the State Library. Financial records for LSTA projects must be retained by the project applicant for a period of five years from the date of the project's completion.

Ten percent (10%) of the **total grant award** is normally withheld pending project completion and submission of required reports, along with return of unexpended funds. The 10 percent amount is payable only if the grant recipient fulfills all project reporting requirements and returns all unspent grant funds by the time specified in the LSTA Reporting Materials packet (sent with the grant award letter. Failure to provide timely reports is a serious breach of a grant recipient's administrative duty under the grant program, which may result in federal audit exceptions against the state and the loss of LSTA funds. The deadline for return of unexpended funds to the State Library is August 30 of the year during which the grant ends, with final liquidation to occur not later than September 15. Requests for extension are not allowable and will not be considered beyond that date, in order for the State Library to comply with federal regulations.

**8. Indirect cost.** Indirect cost to support administration required by the fiscal agent or jurisdiction for handling funds and operating the project, up to a maximum rate of 10 percent of the actual LSTA portion of a program award, may be requested by applicants. This policy applies to all types of libraries.

**9. Grant award/certification.** The grant award/certification accompanies the award letter to successful applicants. As outlined above, the State Librarian's award letter is the official notice of approval and is an attachment to the grant award/certification. The grant recipient is responsible for distributing copies of the LSTA Reporting Materials packet enclosed with the grant award letter, to responsible parties such as the project manager (who may not be in the same department as the recipient).

A financial claim form accompanies the letter and grant/award certification. The applicant's signature on and return of the claim form for payment constitutes acceptance of the award and of all conditions stipulated for conduct of the project. Funds are normally paid upon receipt of claim forms and required reporting. Payment usually is made in three parts: 1) 45 percent (45%) in the first quarter, 2) 45 percent (45%) in the second quarter, and 3) 10 percent (10%) after receipt and acceptance of all required project reports. The first payment is made upon receipt of the first claim form. A second claim form is sent following receipt and acceptance of the project's first quarterly

report. The second payment of 45 percent is sent upon receipt of the second claim form. If the grant recipient has fulfilled all project reporting requirements and returned all unspent grant funds by the time specified in the grant program instructions, the third and final financial payment for the remaining 10 percent is issued when all reports and any unspent funds have been received by the State Library. Generally speaking, it takes 6-8 weeks for financial claim forms to be processed from the date the claim form is received in the Budgets Office of the State Library to when the grant check is received by the grant award library.

**10. Justification of expenditure.** All budgeted expenditures must be justified by a description of the program or service in the final proposal. Generally, purchase of library materials is not an approved use of LSTA funds. Purchase of standard office furniture, supplies, and equipment such as desks, shelving and office machines also ranks very low in priority. While LSTA can assist with specialized staff, additional operating expenses, and hard-to-obtain equipment to demonstrate a service, the local jurisdiction must provide standard materials and equipment.

LSTA allows for paying of certain costs for libraries to acquire or share computer systems and telecommunications technologies. Projects requesting such funding must reflect the intention of making local resources available for sharing, for establishing consortia or similar cooperative mechanisms, or for promoting library services that employ electronic networking. Matching contributions (non-grant funds or in-kind or both) are not required, but the amount of local contribution to the grant project is a factor in judging the competitiveness of the final proposals. Projects that are mainly a local, ongoing or operational responsibility, and requests to acquire basic library automation systems, in most cases, will not be funded.

**11. Local and in-kind contributions.** Generally, local support by project recipients and participants is desirable and may take the form of financial contributions, other funding, in-kind services, or all of these. Statements of in-kind contributions must be realistic and appropriate to the project. No more than five percent (5%) of the time of a California Library Services Act (CLSA) System or library consortia's paid coordinator/director may be credited as an in-kind contribution to the project without explanation of what funds will be used to replace that greater portion of time lost to system or consortia administration.

**12. Merit and cost of living increases.** Locally authorized merit increases for project staff members should be anticipated and budgeted for in the project budget where applicable. Cost of living adjustments are not automatically awarded to projects that retain the same staff beyond an initial grant period.

**13. Adjustment provision.** The grant award/certification includes a provision which allows recipients to respond to local or unforeseen developments by increasing approved budget categories by an amount of up to ten percent (10%) of the line item category into which funds are proposed to be shifted, during the period of the award only, as long as other categories are decreased by a corresponding total amount. Funds may not be moved into any category for which no funding was approved without permission. Funds may be moved within a category in any amount of the budget allotted for that category. The above adjustments must be made only after consultation with and verbal approval by the assigned State Library consultant. Any budget change not specifically allowed under these provisions may only be made after receiving prior written permission from the State Librarian, i.e., budget shifts between categories in excess of 10 percent (10%) of the target category. A budget modification request is made using the grant award modification form (LSTA

Form 4), available on the State Library's website and also included in the reporting packet.

ALL BUDGET MODIFICATIONS MUST BE COMPLETED PRIOR TO JUNE 30 OF THE GRANT YEAR. If a change in budget category is identified after June 30, an LSTA 4 should not be submitted. Approval will not be authorized after that date, unless the individual grant project has been extended. Grant extensions are not often granted, and must be approved by the State Librarian.

**14. Carryover and continuation.** Carryover of LSTA funds unobligated at project end (June 30) is not permitted. Requests to use unexpended or unencumbered LSTA funds beyond the prescribed time period of the project cannot be considered.

A grant recipient whose project is operating successfully and judged to require a follow-on year of funding to complete a specific program may apply for continuation, although it is desirable to forecast a multi-year project during the preliminary proposal stage. Continuation projects are requested on LSTA preliminary and final proposals, according to the current filing deadline and award cycle, in the same manner as a new project. They must stand in competition with all other applications for that year and do not receive priority or favor by virtue of continuation.

**15. Reporting and statistics.** Assessing the progress of the project, at least quarterly, assists in its management. Quarterly reporting to the State Library is required of all projects, unless altered by the State Librarian in the grant award letter. Forms are provided to approved projects for a quarterly project progress report in two parts: narrative (LSTA Form 7) [for non-outcomes measures projects], outcomes measures narrative (LSTA Form 7 OM) and Outcomes Project Design and Report Chart [for OM projects], and financial (LSTA Form 8) [for both types of projects]. These are to be submitted 30 days after the close of the quarter for all four quarters of the project. A final narrative report (LSTA Form 9) covering the entire grant year's work is submitted as an overall evaluation following the project's close. It also serves as the narrative report for the fourth quarter (**i.e., no separate 4th quarter narrative is required**). Approval of second and subsequent financial claims will depend upon timely submission of required reports.

The final proposal of the project should include provision for keeping statistics on all significant measures of project activity and success. These statistical reports should be incorporated in, or submitted as attachments to, the required quarterly reports. Statistical measures used in quarterly reports should match those provided in the final proposal, and should be keyed to the stated objectives of the project.

**16. Equipment inventories.** A record of equipment costing over \$5,000 (i.e. \$5,001 and up) purchased with LSTA funds must be maintained in a local inventory file. Equipment inventory files must be maintained by the grant recipient for each project and duplicate copies sent to the State Library. In general, equipment purchased with federal funds must be used for project purposes for five years, or life of the equipment, whichever comes first, unless otherwise stipulated. Disposition of equipment is subject to review by the State Library.

**17. Personal memberships and travel.** Use of LSTA funds for personal membership in organizations is not permitted. Use of LSTA funds for out-of-state travel is not permitted, except for meetings and other activities needed to carry out approved project objectives. The State Library's policy on out-of-state travel and conferences is that they are generally not allowed. There are exceptions, however, based on the importance of the travel and/or conference to the grant. If your

grant will include out-of-state travel or attendance at an out-of-state conference, consult with your primary consultant beforehand to obtain State Library approval before scheduling the trip or registering for the conference.

**18. Requirements for documents.** Federal and state regulations require submission of documents, some with original signatures, in prescribed quantities. Failure to provide the items or copies called for by the required deadlines can invalidate a final proposal. Names of participants in the project must be submitted, including non-library agencies. Signatures will be considered to signify agreement on such matters as responsibility for decisions made regarding the project and authority to carry them out, as well as the disposition of assets, materials, and equipment at the conclusion of the project. Preliminary proposals and final proposals should only be signed by the applicant director/superintendent/principal, unless explicit authority to commit the organization to receive a grant is delegated below that level. If that authority is delegated to a lower level, a written authorization signed by the person with legal authority to administer the grant project must accompany the preliminary and/or final proposal when it is submitted to the State Library.

**19. Copyright and royalties.** Original materials produced by a project may be copyrighted by the project or its assignees, and a project may collect and retain fees or royalties from sale of such materials. Any profits or royalties generated beyond cost-recovery must be used for the original purpose of the grant project. However, the federal government and the State of California reserve a royalty-free, nonexclusive and irrevocable right to reproduce, publish or otherwise use the material for their own purposes. For publications the State Library may require a camera-ready or duplication-ready master for this purpose.

Any project involving the development of publications or other original materials must include a plan for their production, distribution, and dissemination as part of the final proposal. This plan may be approved as submitted or it may be altered as part of the grant award process.

The project must convey one (1) copy of any materials produced, unless exempted, free of charge to the State Library, by the date of filing the final narrative report.

**20. Publicity.** Grant recipients must ensure that the Library Services and Technology Act receives full credit as the funding program and that the Institute of Museum and Library Services (IMLS), likewise, is acknowledged as the federal source of funds. Publicizing the benefit of the grant and recognizing the funding source are critical in demonstrating program effectiveness to our legislators. Additionally, it is a condition of the LSTA allotment that all press releases and other communications from grantees receiving federal funds shall clearly state the percentage of the total project cost which will be financed with federal money, the actual dollar amount of federal funds, and the portion of the project cost that will be financed by non-governmental sources. This reflects the leveraging of non-LSTA dollars to strengthen our case for LSTA appropriations.

Publications and information releases about the project must credit the Library Services and Technology Act (LSTA). An appropriate statement for a publication or project press release is:

"This [publication/project] was supported in whole or in part by the U.S. Institute of Museum and Library Services under the provisions of the Library Services and Technology Act, administered in California by the State Librarian."



As appropriate, this disclaimer should be added:

"The opinions expressed herein do not necessarily reflect the position or policy of the U.S. Institute of Museum and Library Services or the California State Library, and no official endorsement by the U.S. Institute of Museum and Library Services or the California State Library should be inferred."

This credit line on products of a project, such as materials and publicity, is important to foster support from the public and by state and federal funding sources.

21. **Interlibrary loan.** Requests for LSTA support of interlibrary loan activities are not competitive, as these activities are included in ongoing state support under the California Library Services Act (CLSA).-

22. **Inter-library cooperation.** Library cooperation projects are appraised primarily by the service benefit to library users and by demonstrated equitable effort and commitment by all partners. No support for library service may be decreased by any cooperating agency in the event of an LSTA project grant award.

23. **Bibliographic access.** Library materials acquired, collected, or produced through an LSTA grant are considered of potential interest to people throughout California, either because of uniqueness of the items or to offer access at additional locations. To ensure wide access, these materials must be given cataloging according to Dublin Core standards and a complete metadata record must be produced for each title so acquired. The records must be made available in one or more of the statewide or national bibliographic database utilities widely used by California libraries.

24. **Deposit at State Library.** In certain projects, grant applicants assemble new collections, preserve materials, prepare publications, or develop innovative bibliographic tools. The State Library will, at its option, request that at least one copy or set be deposited in the State Library's collections to enable statewide public access. (For example, a project might create different products placed in separate locations but the full result is not accessible in a central facility open to the public.) An applicant planning to develop this type of project should discuss the State Library's acquisitions policy and the requirement for submission to the State Library with the assigned State Library consultant during the final proposal stage.

25. **Project close.** All federally funded activity must cease on September 30 of the grant award year and no new expenditures can be generated after that. All funds that are either unexpended or unencumbered by June 30 must be returned by August 30 of the year in which the grant ends. **NO EXCEPTIONS ARE PERMITTED.** For funds encumbered but not liquidated by June 30, projects are allowed a liquidation period of 60 days (to August 30). All encumbrances are subject to review by the State Library. Project directors should consult with their primary consultants prior to making year-end encumbrances. After the 60-day period all encumbered funds which have not been liquidated must be returned to the State Library. The final liquidation report, together with any funds not liquidated must be returned to the State Library by September 15 of the year in which the grant ended. Instructions and a timetable for the close of projects are contained in the financial reporting instructions mailed to grant recipients.

26. **Unspent funds.** Grant recipients should assess their grant award spending progress not later than mid-year to identify funds not likely to be obligated or disbursed for whatever reason, and report that forecast as early as possible to the State Library. It is acknowledged in advance that projects change in the course of the year and that unforeseen or adverse factors affect spending plans. The State Library appreciates candor in this by grantees and does not penalize recipients for identifying and reporting needed financial adjustments. As soon as a recipient knows that it cannot responsibly expend all or a portion of its grant it is important to notify the assigned consultant promptly so that unused funds can be returned and reallocated to other projects in a timely manner. Recipients' cooperation is appreciated.

27. **Audits.** Recipients of awards must be in compliance with Public Law 98-502, "The Single Audit Act of 1984". When audits are performed in accordance with the instructions contained in the Act for funds provided under the LSTA, a copy of the audit report must be forwarded to the State Library LSTA Coordinator.

28. **Special policies for State of California institutions.** In addition to the requirements for all applicants, state institutions must notify the appropriate executive office of their department of their intent to apply for federal funds under LSTA. Such notification must be in writing and include the name of the applicant, a summary of the project purpose, the name of the federal funding program (LSTA), and the estimated amount of funds sought. A copy of this notice must be sent with the preliminary proposal and final proposal to the State Library.